**94th General Assembly**
Weekly Report: February 27 – March 3, 2023

The eighth week of the 94th General Assembly has come to a close.

This week was by far the most “Session as normal” week with lengthy committee meetings and vigorous debates surrounding the Governor’s Arkansas LEARNs bill. This week, after nearly a hundred members of the public and teachers trekked to the Capitol to speak for and against the bill, SB294 made it out of the House Education committee and will be returned to the Senate with some language changes. The Senate will return next week to agree to the amendment before it will head to Governor Sanders’ desk.

On a lighter note, this week the annual House v. Senate basketball game returned. The “Hoops for Kid’s Sake” game benefits Big Brothers Big Sisters of Central Arkansas and Children's Advocacy Centers of Arkansas. Since 2013, the game has raised over $200,000 for these organizations. The Senate ultimately took home the trophy for the fifth year in a row. The half-time show consisted of a dodgeball tournament, which Rep. Jaime Scott and the Governor’s son, Huck Sanders, won!

As we move into the next week, we are reminded that there are only 2 weeks left before Spring Break. This means that the next two weeks will be extremely intense as the General Assembly will likely want to get a majority of their high priority items filed and moving through the legislative process prior to the week break.

Please take a moment to review the bills tracked below. Please let us know if your organization intends to support or oppose any of the legislation listed. Otherwise, we will continue to monitor the bills listed in the event any amendments have been made which would impact you further.

**Below are bills that Cove Street Consulting is tracking for you and your organization:**

**Review: New Bills that have been filed**

[**HB1313**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=HB&source=Bills&bill=1313&ddBienniumSession=2023%2F2023R)

**Sponsor:** Rep. Ashley Hudson, Sen. Reginald Murdock

**Summary:** Provides the exemption of life insurance proceeds from creditors.

**Detailed Analysis:** *This bill will prevent debt and other claims against the insured or beneficiary secured by the proceeds of a life insurance policy.*

**Action:** Referred to Senate Insurance and Commerce.

[**HB1511**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=HB&source=Bills&bill=1511&ddBienniumSession=2023%2F2023R)

**Sponsor:** Rep. Scott Richardson

**Summary:** Requires school buses acquired by a school to have an electronic child safety alarm system.

**Detailed Analysis:** *This bill will require all buses to have the alarms installed by January 1, 2029.*

**Action:** Referred to House Education Committee.

[**HB1519**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=HB&source=Bills&bill=1519&ddBienniumSession=2023%2F2023R)

**Sponsor:** Rep. RJ Hawk

**Summary:** Prohibits a municipality or other political subdivision from regulating animal based on specific breed or perceived breed of the animal.

**Action:** Referred to House City, County and Local Affairs Committee.

[**HB1525**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=HB&source=Bills&bill=1525&ddBienniumSession=2023%2F2023R)

**Sponsor:** Rep. Grant Hodges, Sen. Jim Dotson

**Summary:** Provides that the provision of token gifts of $100 or less in value that are used for advertisement purposes is not an unfair or deceptive practice or a prohibited inducement in the insurance business.

**Detailed Analysis:** *This bill will allow gifts valued under $100 for the purpose of advertisement.*

**Action:** Referred to House Insurance and Commerce.

[**SB341**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=SB&source=Bills&bill=341&ddBienniumSession=2023%2F2023R)

**Sponsor:** Sen. Justin Boyd, Rep. Rick McClure

**Summary:** Replaces the Commercial Driver Alcohol and Drug Testing Act with FMCA database for purposes of commercial driver’s license applicants.

**Action:** Referred to Senate Transportation Committee.

[**SB342**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=SB&source=Bills&bill=342&ddBienniumSession=2023%2F2023R)

**Sponsor:** Sen. Gary Stubblefield, Rep. John Maddox

**Summary:** Allows for settlement agreements involving minors.

**Detailed Analysis:** *This bill will allow suits for which a minor is a party to settle without court approval so long as the sum is under $25,000.*

**Action:** Referred to Senate Judiciary Committee.

[**SB348**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=SB&source=Bills&bill=348&ddBienniumSession=2023%2F2023R)

**Sponsor:** Sen. Mark Johnson

**Summary:** Requires a health insurer to respond to claims within 60 business days after receipt of written documentation by a Medicaid recipient.

**Action:** Referred to Senate Insurance and Commerce Committee.

[**SB350**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=SB&source=Bills&bill=350&ddBienniumSession=2023%2F2023R)

**Sponsor:** Sen. Josh Bryant

**Summary:** *Increases the penalty against insurers for failing to pay a claim within the time specified in the insurance policy from 12% of damages to 25% of damages.*

**Action:** Referred to Senate Insurance and Commerce.

[**SB351**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=SB&source=Bills&bill=351&ddBienniumSession=2023%2F2023R)

**Sponsor:** Sen. Josh Bryant

**Summary:** Provides that an insurer’s refusal or failure to pay an insurance claim is a breach of the implied covenant of good faith and fair dealing if certain conditions are met.

**Action:** Referred to Senate Insurance and Commerce.

**High Priority – Oppose**

None

**Support**

[**HB1418**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=HB&source=Bills&bill=1418&ddBienniumSession=2023%2F2023R)

**Sponsor:** Rep. Marcus Richmond, Sen. Missy Irvin

**Summary:** Prevents recovery of phantom damages

**Action:** Committee Motion Do Pass Failed

**Neutral – Monitor**

[**HB1006**](https://www.arkleg.state.ar.us/Bills/FTPDocument?path=%2FBills%2F2023R%2FPublic%2FHB1006.pdf)
**Sponsor:** Rep. Aaron Pilkington
**Summary:** Requires an employer with more than 50 employees that covers abortions or travel expenses related to abortions for employees to provide 12 weeks of paid maternity leave to full-time employees who are employed in Arkansas.
**Detailed Analysis:** *This bill was amended in committee to significantly narrow the scope of the bill. The bill has been narrowed from 16 weeks down to 12 weeks of paid maternity leave. This only applies to employers that have more than 50 employees. This law would only apply if the employee is on the employers health benefit plan and is the birth mother.*
**Action:** Off deferred list in Senate Public Health Committee.

[**HB1012**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=HB&source=Bills&bill=1012&ddBienniumSession=2023%2F2023R)
**Sponsor:** Rep. David Ray
**Summary:** Increases the standard deduction for state income taxes from $2,200 to $4,400.

**Detailed Analysis:** Increases the standard deduction for state income taxes from $2,200 per taxpayer to $4,400 per taxpayer beginning on January 1, 2023.

**Action:** Referred to House Revenue & Taxation Committee.

[**HB1036**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=HB&source=Bills&bill=1036&ddBienniumSession=2023%2F2023R)

**Sponsor:** Rep. Aaron Pilkington
**Summary:** This bill reduces the required liability coverage limits for scooter-share operators.
**Detailed Analysis:** *Reduces the commercial general liability insurance minimum from $1 million to $250,000 for each occurrence and $5 million to $250,000 in aggregate.***Action:** Moved to deferred list in House Public Transportation Committee.

[**HB1037**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=HB&source=Bills&bill=1037&ddBienniumSession=2023%2F2023R) **Sponsor:** Rep. Aaron Pilkington
**Summary:** Requires the Insurance Commissioner to develop and administer a pilot program to support healthcare portability for small businesses.
**Detailed Analysis:** *Repeals the requirement for legal insurance by Arkansas lawyers.***Action:** Referred to House Insurance and Commerce Committee.

[**HB1049**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=HB&source=Bills&bill=1049&ddBienniumSession=2023%2F2023R)

**Sponsor:** Rep. Stephen Meeks **Summary:** Creates the Fair Access to Financial Services Act and establishes that a violation is an unfair and deceptive trade practice.

**Detailed Analysis:** Prevents any financial institution or institution that provides insurance services from utilizing environmental, social, governance policies--as well as diversity, equity, and inclusive policies--in preventing or limiting an individual from entering a market or business segment. Violation of this law would be a violation of the Arkansas Deceptive Trade Practices Act.
**Action:** On deferred list of House Insurance and Commerce Committee.

[**HB1097**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=HB&source=Bills&bill=1097&ddBienniumSession=2023%2F2023R) **Sponsor:** Rep. David Ray
**Summary:** This bill reduces the top marginal income tax rate from 4.9% to 4.5%.
**Detailed Analysis:** *Decreases the 4.9% tax rate down to 4.5% for those that make between $23,600 to and less than or equal to $84,500.***Action**: Referred to House Revenue & Taxation Committee.

[**HB1174**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=HB&source=Bills&bill=1174&ddBienniumSession=2023%2F2023R)

**Sponsor:** Rep. Richard Womack, Sen. Matt McKee

**Summary:** Provides that all provisions of the Arkansas Criminal Code apply to a prosecution for the death of an unborn child that would apply to a prosecution for the death of any other person.

**Detailed Analysis:** *This bill removes the provision of Arkansas law which prevented the criminal prosecution of a woman for having an abortion. It replaces that provision of law with language that allows for prosecution for the death of the unborn child, similar to prosecuting the death of any other person.*

**Action:** Moved to deferred list in House Judiciary.

[**HB1253**](https://www.arkleg.state.ar.us/Bills/FTPDocument?path=%2FBills%2F2023R%2FPublic%2FHB1253.pdf)

**Sponsor:** Rep. McAlindon, Sen. Bryant

**Summary:** Outlines how a fiduciary shall discharge duties with respect to a pension benefit plan, precluding nonpecuniary factors.

**Detailed Analysis:** *This bill will prevent a person who manages benefit plans, renders investment advice for a fee, or has discretionary authority in the administration of the pension benefit plan from using ESG factors in making determinations.*

**Action:** Referred to Joint Committee on Public Retirement & Social Security Programs.

[**HB1301**](https://www.arkleg.state.ar.us/Bills/FTPDocument?path=%2FBills%2F2023R%2FPublic%2FHB1301.pdf)

**Sponsor:** Rep. Clowney

**Summary:** Expands the exceptions from the prohibition against abortion to include fetal abnormality incompatible with life.

**Detailed Analysis:** *This bill would allow abortions in the event fetal abnormality exists that is incapable of sustaining life.*

**Action:** Referred to House Public Health Committee.

[**HB1307**](https://www.arkleg.state.ar.us/Bills/FTPDocument?path=%2FBills%2F2023R%2FPublic%2FHB1307.pdf)

**Sponsor:** Rep. Wardlaw, Sen. Hill (61 House, 24 Senate)

**Summary:** An Act Concerning the Regulation of Environmental, Social Justice, or Governance Scores; to Authorize the Treasurer of State to Divest Certain Investments or Obligations Due to the use of Environmental, Social Justice, or Governance-Related Metrics

**Detailed Analysis:** *Allows the Attorney General to determine if a company has discriminated against energy or firearm companies based on ESG principles. Requires the Treasurer of State to maintain a list of companies that use ESG & requires the Treasurer to divest from financial service providers on the list. The AG’s determination is NOT subject to the Arkansas Administrative Procedure Act. The AG may rely on statements or complaints by an energy, fossil fuel, firearm, or ammunition company as well as media reports.*

**Action:** Passed out of the House, Received in the Senate. Referred to Senate State Agencies Committee; amendment adopted.

[**HB1356**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=HB&source=Bills&bill=1356&ddBienniumSession=2023%2F2023R)

**Sponsor:** Rep. Lee Johnson, Sen. Missy Irvin

**Summary:** Requires the Insurance Commissioner to consider a health insurer’s surplus levels in determining whether a proposed rate is excessive.

**Detailed Analysis:** *Current Arkansas law allows the Insurance Commissioner to consider a health insurer’s surplus levels in determining whether a proposed rate is excessive. This bill would require the Commissioner to do so.*

**Action:** Referred to House Insurance & Commerce Committee.

[**HB1361**](https://www.arkleg.state.ar.us/Bills/FTPDocument?path=%2FBills%2F2023R%2FPublic%2FHB1361.pdf)

**Sponsor:** Rep. McGrew, Sen. Ron Caldwell

**Summary:** Creates a property management license under which a licensee may rent or lease real property on behalf of an owner.

**Detailed Analysis:** *This bill will require a property manager to be licensed by the Arkansas Real Estate Commission.*

**Action:** Referred to House Insurance and Commerce Committee.

[**HB1379**](https://www.arkleg.state.ar.us/Bills/FTPDocument?path=%2FBills%2F2023R%2FPublic%2FHB1379.pdf)

**Sponsor:** Rep. McAlindon, Sen. Crowell

**Summary:** Allows certain taxpayers to file electronically.

**Detailed Analysis:** *Allows a taxpayer with an average monthly sales tax liability of $5,000 or more to file all returns & remittances electronically.*

**Action:** Referred to House Revenue & Taxation Committee.

[**HB1429**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=HB&source=Bills&bill=1429&ddBienniumSession=2023%2F2023R)

**Sponsor:** Rep. Jay Richardson

**Summary:** Requires the Office of Motor Vehicles to issue a driver’s license to an applicant who is unable to provide proof of legal residency status but provides identifying information.

**Detailed Analysis:** *This bill would provide a way for non-citizens to obtain a driver’s license if they are able to meet requirements of proving identity via passport, show an IRS taxpayer identification number, provide proof of residence, demonstrate authorization for presence in the U.S., and have filed state tax returns for three years prior.*

**Action:** Referred to House Public Transportation

[**HB1436**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=HB&source=Bills&bill=1436&ddBienniumSession=2023%2F2023R)

**Sponsor:** Rep. John Maddox, Sen. Jonathan Dismang

**Summary:** Expands the list of reasons for which the Securities Commissioner can deny, suspend or revoke a registration.

**Detailed Analysis:** *Allows the Commissioner to deny, suspend, or revoke the registration of someone convicted or pled guilty or nolo contendere of a felony or misdemeanor within 10 years related to securities, investments, banking, or fraud, bribery, wrongful taking of property, or perjury.*

**Action:** Placed on House calendar.

[**HB1437**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=HB&source=Bills&bill=1437&ddBienniumSession=2023%2F2023R)

**Sponsor:** Rep. John Maddox, Sen. Justin Boyd

**Summary:** Allows an employee or agent of a utility/telecom/cable company to operate an all-terrain vehicle on a public street or highway when performing a function related to company operations.

**Detailed Analysis:** *This bill removes the requirement that an employee only use an all-terrain vehicle during emergencies or severe weather. It expands to cover agents of a utility company as well.*

**Action:** Referred to House Public Transportation Committee.

[**HB1438**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=HB&source=Bills&bill=1438&ddBienniumSession=2023%2F2023R)

**Sponsor:** Rep. John Maddox, Sen. Jonathan Dismang

**Summary:** Makes various amendments to the Uniform Money Services Act

**Detailed Analysis:** *This bill makes various changes to state law related to securities and financial services.*

**Action:** Referred to House Insurance and Commerce Committee.

[**HB1486**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=HB&source=Bills&bill=1486&ddBienniumSession=2023%2F2023R)

**Sponsor:** Rep. Ashley Hudson, Rep. Josh Miller, Sen. Missy Irvin

**Summary:** Amends the law concerning distracted driving

**Detailed Analysis:** *This bill will increase punishment for using a wireless communication device while driving. If someone has a collision or accident that results in serious physical injury or death of another person, they may face a $2,500 fine as well as one year jail time.*

**Action:** Referred to House Public Transportation Committee.

[**SB38**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=SB&source=Bills&bill=38&ddBienniumSession=2023%2F2023R)

**Sponsor:** Sen. Jim Dotson
**Summary:** This bill repeals the income tax apportionment throwback rule that applies to the apportionment of business income.
**Detailed Analysis:** *Considers tangible personal property to be any property delivered or shipped to a purchaser in the state*

**Action:** Referred to Senate Revenue & Taxation Committee.

[**SB56**](https://ardigest.net/www/AR/23R/pdf/AR23RSB00056FIL.pdf) **Sponsor:** Sen. Ricky Hill and Rep. Jeff Wardlaw
**Summary:** This bill prevents a state agency from engaging in practices that utilize environmental, social, governance policies.

**Detailed Analysis:** *This bill prevents state agencies from utilizing environmental, social, governance policies in rules or regulations.*

**Action: Withdrawn from consideration.**

[**SB62**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=SB&source=Bills&bill=62&ddBienniumSession=2023%2F2023R)

**Sponsor:** Sen. Ricky Hill, Rep. Jeff Wardlaw
**Summary:** Prohibits public entities from engaging in a boycott of energy, fossil fuel, firearms, and ammunition industries, or from contracting with a company without written certification that the company is not engaged in such boycotts.

**Detailed Analysis**: *This bill will prevent the state government and its agencies all the way down to the local conservation district, as well as public institutions of higher education, from contracting with companies that refuse to do business with energy, fossil fuel, firearm, or ammunition industries. This bill appears to exclude financial service providers, as well as companies that can supply goods or services at a 20% lower cost than other certifying businesses and contracts for under $1,000.*

**Action:** Referred to Senate State Agencies.

[**SB120**](https://www.arkleg.state.ar.us/Bills/FTPDocument?path=%2FBills%2F2023R%2FPublic%2FSB120.pdf)

**Sponsor:** Sen. Love

**Summary:** Requires a cover or tarp that completely covers the cargo area when a vehicle’s cargo may be a hazard to other motorists.

**Detailed Analysis:** *This bill requires sand, gravel, rock, cement trash, or any other products that may create a hazard to other motorists.*

**Action:** Referred to Senate Transportation Committee.

[**SB151**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=SB&source=Bills&bill=151&ddBienniumSession=2023%2F2023R)

**Sponsor:** Sen. Penzo, Rep. Lundstrum

**Summary:** Provides that the transfer of real property into a revocable living trust via warranty deed shall not impact the coverage of title insurance or property and casualty insurance if the beneficiary remains a beneficiary during the lifetime of the settlor.

**Detailed Analysis:** *This bill would allow the transfer of real property into a revocable living trust by warranty deed and provides that the insurance coverage for the revocable living trust shall be subject to the defenses available to the insurance company under the policy. Under this bill, if the settlor is a beneficiary of the trust at the time of the transfer of the real property via warranty deed, then the transfer cannot affect the eligibility of homestead property tax credit or accelerate a due-on-sale clause of the mortgage.*

**Action:** Referred to Senate Insurance and Commerce Committee.

[**SB230**](https://www.arkleg.state.ar.us/Bills/FTPDocument?path=%2FBills%2F2023R%2FPublic%2FSB230.pdf)

**Sponsor:** Sen. Bryan King

**Summary:** Requires employers to provide 8 hours of paid leave to each employee registered to vote.

**Detailed Analysis:** *This bill requires all employers to provide 8 hours of paid leave to every employee that is registered to vote, so that they may vote early in primary, primary runoff, and general elections.*

**Action:** Referred to Senate Judiciary, moved to deferred list.

[**SB237**](https://www.arkleg.state.ar.us/Bills/FTPDocument?path=%2FBills%2F2023R%2FPublic%2FSB237.pdf)

**Sponsor:** Sen. Clark

**Summary:** An act concerning vehicles, boats, or farming equipment with removed, damages, mutilated, or defaced serial number or vehicle identification number.

**Detailed Analysis:** *This bill raises the penalty to a Class D felony for anyone convicted of buying, receiving, disposing of, selling, offering to sell, or possessing a vehicle or vehicle part.*

**Action:** Referred to Senate Judiciary.

**Passed**

[**HB1111**](https://www.arkleg.state.ar.us/Bills/Document?type=pdf&chamber=HB&source=Bills&bill=1111&ddBienniumSession=2023%2F2023R)
**Sponsor:** Rep. Les Warren

**Summary:** This bill raises the applicable age to receive disbursement from police and fire department pensions.

**Detailed Analysis:** *Raises the age from 72 to 73 for those turning 72 years old after December 31, 2022 and raises it to age 75 for those turning 74 after December 31, 2022.***Action:** Sent to the Governor. Enacted as Act 44 of 2023.

[**HB1258**](https://www.arkleg.state.ar.us/Bills/FTPDocument?path=%2FBills%2F2023R%2FPublic%2FHB1258.pdf)

**Sponsor:** Rep. Lundstrum, Sen. Dees

**Summary:** Allows cities to issue permits for the use of sky lanterns.

**Detailed Analysis:** *This bill would allow cities of the first or second class to issue and revoke permits for sky lanterns. The event must be open to the public. The city may revoke the permit if the fire department of the city determines that the use of sky lanterns would be dangerous due to weather or other conditions.*

**Action:** Signed by the Governor; enacted as Act 112 of 2023

[**SB111**](https://ardigest.net/www/AR/23R/pdf/AR23RSB00111FIL.pdf)

**Sponsor:** Sen. Missy Irvin, Rep. Deborah Ferguson

**Summary:** Creates new line of insurance, called family leave insurance.

**Detailed Analysis:** *This bill creates a new type of insurance called family leave insurance, which will allow an insurer licensed to transact accident, health, or life insurance in the state to issue an insurance policy covering the risk of family leave. This would include birth, adoption, fostering of a child, care of an employee’s family member who has a serious health condition, or circumstances arising due to a family member’s service in the military.*

**Action:** Signed by the Governor; Enacted as Act 84 of 2023.